

**OGC HAS REVIEWED.**

JUN 28 1955

MEMORANDUM FOR: Deputy Director (Support)  
THROUGH: Deputy Director (Intelligence)  
SUBJECT: Educational Allowances for Dependent Children of Overseas Employees  
REFERENCE: Public Law 22 - Amendment to Foreign Service Act, Section 901

1. It is understood that a recent opinion of the General Counsel precludes Agency application of reference to CIA overseas personnel who are paid from vouchered funds.

2. It is believed that if the General Counsel's opinion is adopted as Agency policy, [ ] will be the only acknowledgeable U. S. Government organization abroad whose personnel are not reimbursed in some manner for the schooling of dependent children. [ ] has been informed that the Agency is proposing legislation which will eliminate this inequity, but realistically the passage of such legislation may not be expected before the end of the next school year and there is no assurance that if passed its provisions would be retroactive.

3. The difficulties that will be encountered by [ ] as a result of this technical discrimination against its employees are obvious, but include the following:

a. The cost of schooling and the number of children will be the deciding factor in assigning personnel to overseas posts, rather than basic professional qualifications.

b. Concurrently, career development will be obstructed.

c. The morale of [ ] employees cannot help but be adversely affected when it is learned that [ ] among all government activities, is the only one which is not provided for.

d. As a result of "c" above, it may be expected that there will be a considerable exodus of highly trained and well-qualified personnel from [ ] to other Agency activities at best, and out of government at worst.

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4. At one time General Counsel in commenting on an [REDACTED] request for [REDACTED] to defray the cost of schooling at overseas stations said that it was obviously the intent of Congress that schooling expenses not be paid by the Federal Government since it had refused on several occasions to approve Department of State sponsored legislation seeking this authority. In the light of the recent Congressional action it would seem that it is now clearly the intent of Congress that the schooling expenses of U. S. Government employees in overseas posts be paid by the Government. Therefore, if Agency policy precludes extending the schooling allowance to [REDACTED] personnel, it is requested that [REDACTED] be provided to reimburse [REDACTED] employees to the extent that they would be reimbursed under the amendment to the Foreign Service Act.

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[REDACTED]  
Assistant Director for Operations

cc: Deputy Director (Intelligence)  
General Counsel